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*Comptroller*

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PROCUREMENT OFFICER'S DETERMINATION  
Intergovernmental Cooperative Purchasing  
COMAR 21.05.09.04

Date: November 30, 2022

Department/Procurement Agency: Comptroller of Maryland  
Contract Term: Three years from the date of execution by the Participating Entity  
Amount: \$653,335.30  
Fund Source: E00A1001

Name & address of selected contractor: ADP, Inc. 5800 Windward Pkwy Alpharetta, GA 30005

**Scope Description:**

The State of Maryland, through the Department of General Services (“DGS”), seeks to execute a participating addendum (“Participating Addendum”) with ADP, Inc (“ADP”) under the Region 4 ESC/OMNIA Partners, Public Sector, Human Capital Management and Managed Business Solutions, Contract # R200701 (“OMNIA Contract”). OMNIA strives to make the governmental procurement process more efficient by establishing competitively priced contracts. The OMNIA Contract is available to State agencies nationwide, institutions of higher education, cities and counties. It has been awarded by a public competitive procurement process that is compliant with Maryland State statutes. Under the Participating Addendum, ADP would provide the Comptroller of Maryland (COM) with ADP’s traditional product to handle all tax deposits, withholding reporting, and unemployment reporting. ADP will provide the following: electronic tax deposits, remittance and tax filings, quarterly reporting – Federal 941, State, and Unemployment Returns, complete amended returns, year-end processing and annual reconciliations, risk mitigation – 100% liability for errors and omissions, dedicated tax account manager, and a tailored service level agreement to meet the Comptroller’s specific needs.

**Basis for Selection:**

ADP was selected as they are the # 1 ranked vendor on the OMNIA contract for Human Capital Management Systems and Managed Business Solutions software. ADP demonstrated the ability to provide the products and services outlined in the solicitation while offering competitive pricing to eligible using entities. The OMNIA Partners award to ADP was the result of a competitive process, conducted by the State of Texas, that selected ADP as the top provider of Human Capital Management Systems and Managed Business Solutions software products to eligible using entities. The OMNIA Partners Bid Tab Summary ranked ADP #1 of 11 proposals submitted in the following areas: Products/Pricing, Performance Capability, Qualification and Experience & Value Add.

ADP, Inc. was selected as #1 of three contractors on the OMNIA Partners contract, Human Capital Management Systems and Managed Business Solutions; RFP # 20-07. The rankings were:

1. ADP
2. Hire Thinking Inc. dba Advantage xPO
3. Carahsoft Technology Corporation

The use of this procurement method will reduce the time-period between need determination and delivery of unemployment wage reporting solution; will ensure expeditious transparency to the Human Capital Management Systems and Managed Business Solutions; RFP # 20-07 citizens of Maryland and reduce the administrative burden on the Comptroller. In accordance with COMAR 21.05.09.04, it is determined that this Participating Addendum will provide cost benefits to the State, will promote administration efficiencies and promote intergovernmental cooperation.

#### ADP Tax Service State of Maryland

With Omnia Pricing				
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		Annually	Price increase Caps	Total w/Caps
Year 1	2023	\$196,134.00	6.9%	\$209,667.25
Year 2	2024	\$209,667.25	4.6%	\$219,311.94
Year 3	2025	\$227,880.05	2.3%	\$224,356.11

MSRP	w/o Omnia Pricing		Annual Savings w/Omnia	Percentage
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		Annually	Total w/Caps		
Year 1	2023	\$254,289.00	\$271,834.94	\$62,167.69	22.87%
Year 2	2024	\$260,245.00	\$284,339.34	\$65,027.40	22.87%
Year 3	2025	\$260,860.00	\$290,879.15	\$66,523.04	22.87%

Based upon market research the Procurement Officer has determined that the ICPA/Omnia pricing remains competitive. A line item review of COM's ADP financial proposal based on the ICPA/Omnia contract agreement with two other ADP proposals under that same ICPA/Omnia showed the COM's price was significantly cheaper. For example, ADP cost per employee on COM's proposal is \$0.06 per month. two other quotes were \$0.10 and \$0.19 per employee. That is \$684,000 for three years (\$0.19) compared to COM's price of \$216,000. A savings of \$468,000 on that line item alone. Other ADP Tax Services in the COM's ADP financial proposal showed a similar savings.

If unable to continue utilizing the ICPA the COM would have to source a quote directly from ADP which would result in higher pricing including an overall higher annual investment and setup costs. The pricing negotiated by ICPA/Omnia is more advantageous to the Comptroller's Office.

Category: Information Technology

Contract Type: Firm Fixed Price

**Determination By:**

Michael E. Balderson Date: 12/07/2022  
Michael E. Balderson, Procurement Officer

**Approved By:**

Andrew Schaufele Date: 12/7/2022  
Andrew Schaufele, Deputy Comptroller

**Approved By:**

M. Zimmerman Date: Dec 7, 2022  
Mike Zimmerman, Chief Procurement Officer or Designee  
Department of General Services, Office of State Procurement

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Final Audit Report

2022-12-07

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